SUMMARY AND RECOMMENDATIONS
Home Health Advisory Sub-Group

October 30, 2008

I. CURRENT STRENGTHS OF EXISTING CON PROCESS

- Limits healthcare spending.
  - **From 2001-2006 Medicare spending grew 2.5 times more in states where the number of HHA's increased than in states where the number of HHA's stayed the same or decreased.**
  - **The CON program in Maryland has been a factor in constraining the growth of Medicare spending on HHA services in the state. Medicare spending increased 24.7% in Maryland compared to a national average of 64%.**

    NAHC Study, August 29, 2008

CURRENT STRENGTHS, *continued*

- The American Health Planning Association (AHPA) also asserts that CON programs have a valuable impact on the quality of care. NCSL, May 2008
- CON programs are a resource for policy-makers and call attention to areas in need because planners can track and evaluate areas underserved or areas that need to be improved and developed. NCSL, May 2008
- Decreases potential for adverse effect on the labor market. NCSL, May 2008
  - There is conclusive data that CON States have higher levels of compensation for their staff. Maryland is the highest CON state in regards to professional salaries for home health agencies. Healthcaresalaryonline.com 2007

II. CURRENT WEAKNESS OF EXISTING CON PROCESS

- Limits entry into market for non-Maryland agencies and Maryland Residential Service Agencies (RSAs).

III. CURRENT WAYS of OBTAINING LICENSURE FOR OPERATING A MEDICARE CERTIFIED HOME HEALTH AGENCY

1. Currently have CON
2. Purchase existing agency
3. Apply under current state CON process

IV. RECOMMENDATION – ADD TO THE CURRENT METHODOLOGY

- Establish criteria for existing Maryland certified HHAs as well as those agencies looking to gain entry into the Maryland market.

1. Quality Standards
   - Home Health Compare Report
   - State Surveys
   - Prior Record
2. Financial Stability
   - Surety bond requirement (at least $50,000)
   - Capitalization requirements
   - Charity care provisions

V. RATIONALE FOR RECOMMENDATIONS

- Ensures that quality standards are met by ALL agencies in the state of Maryland.
- Ensures financial stability for all Medicare Certified Home Health Agencies in the state.

VI. RECOMMENDATION: Preferred entry into the CON process for existing RSA's provided that they meet established criteria and a probationary period.

1. Existing Maryland RSA's could voluntarily enter into a designated program for consideration for becoming a Certified HHA, with appropriate standards and regulations.
2. In coordination with the provider community, MHCC would develop quality indicators that if met, would identify those RSA's who have successfully met those criteria.
3. Those RSA's could then be tracked for consideration in the CON process, and if appropriate would then be issued a probationary CON.
4. After successfully completing probationary HHA CON period, the CON would become permanent.

VII. Medicare Certified Home Health Agencies vs Residential Service Agencies

Similarities:

- Population: Elderly and disabled in need of care.
- Tasks performed include help with medical procedures and activities of daily living (ADL's)

DIFFERENCES

Medicare Certified Home Health Agencies:

- Skilled intermittent care
- Under physician's orders
- Providing medical treatments to patients with new illness or exacerbation of chronic illness.
- Emphasis on skilled evaluation, assessment and teaching patient or caregiver to be independent with care at home.
- Short duration: weeks and months
- Full spectrum of coordinated nursing and therapy services.
- Third party reimbursed with Medicare most common.
- Patient must be homebound to receive services.

DIFFERENCES

Residential Service Agency's:

- Non-skilled, long hour long term care.
- Usually no physician orders for services.
- Mostly help with ADL's and household chores.
- Emphasis on routine, non complicated repetitive tasks related to chronic conditions in patients who are medically stable.
- Long term duration: months, years
- Can only provide nursing and one other non-skilled service. Usually home health aides.
- Majority of payment is out of pocket (Medicaid is exception).
- Patient does not have to be homebound.

VIII. RECOMMENDATIONS: Clarification of RSA license and regulations

1. Licensure process and requirements should be divided into specific categories representative of services rendered.

"…In-home health service providers should not be combined into one regulatory category." Office of Health Care Quality, In-home Health Services Forum Draft Recommendations, Sept 2006.

For example,

- Infusion
- DME
- Personal Care
- Private Duty Nursing

Recommendations, *continued*

2. Require routine inspections.

"Regulatory oversight should be strengthened by requiring inspections at least every three years. Survey activity should be prioritized based upon provider's compliance history, number of complaints, past survey findings, change in policies and length between survey." OHCQ, In-home Health Services Forum Draft Recommendations, Sept 2006.

Recommendations, *continued*

3. There should be pre-licensure screening requirements to ensure a minimum standard of structural, financial and quality integrity.
4. Cost of these recommendations could be off-set by licensure and application fees to all existing home based service providers.

Summary of Findings and Recommendations

- The existing CON process has proven to be an effective method of providing high quality, cost efficient, coordinated skilled services to the sickest patients at home in the state of Maryland. Our recommendations are intended to further strengthen this process for all agencies.
- Although the CON process has been a barrier to some, we have offered recommendations that will allow for the expanded entry into the Medicare certified home care market, while maintaining the integrity and quality of the current system.